Disinvestment of MUL

325. SHRI R.P. GOENKA: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether it is a fact that the Maruti Udyog Limited (MUL) has shown a net profit of Rs. 30 crores in the first half of 2001-02, despite posting losses of Rs. 269 crores in the preceding year, the first ever in 17 years; and

(b) if so, the steps being taken to speed up the process of disinvestment of Maruti Udyog Ltd., to secure good price for the company?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) As per the draft unaudited Balance Sheet, Maruti Udyog Limited (MUL) has shown a profit before tax of Rs. 30.4 crore for the first six months ending 30th September, 2001, despite a loss of Rs. 269 crore in the preceding year, 2000-01, the first ever since 1983-84.

(b) The Government has decided to disinvest its equity stake in Maruti Udyog Limited by offering shares on a rights basis to existing shareholders with a renunciation option in favour of Indian Financial Institutions and/or Suzuki Motor Corporation (SMC). Government has invited Suzuki Motor Corporation for negotiations on the principles of fixation of rights issue price, respective proportion of renunciation in favour of Indian Financial Institutions and/or Suzuki Motor Corporation, renunciation premimum and control premium to be paid by SMC. The negotiations with SMC are currently on.

Concept of 'golden share' in disinvestment ~~programme~~

326. SHRI R.P. GOENKA: Will the Minister of DISINVESTMENT be pleased to state:

(a) whehter there is a proposal to introduce the concept of'golden share'
in a limited fashion in the disinvstment programme of having one Government director representing the board of VSNL in perpetuity post-privatisation, even if it holds one shrae in the company; and

(b) if so, the details of the proposal with specific rights and advantages sought to be attached to the "one-share-one director" clause?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) and (b) The Government and the Strategic Partner (SP), Panatone Finvest Ltd. a company belonging to the Tata Group have entired into an agreement

inter-alia providing for one non-retiring director nominated by the Government on the Board of Videsh Sanchar Nigam Ltd. (VSNL), so long as the Government is a shareholder in VSNL. This arrangement has been incorporated to mainly protect against asset stripping.

Bids for HTL

327. SHRI RUMANDLA RAMACHANDR1AH: Will the Minister of DISINVESTMENT be pleaed to state:

(a) whether it is a fact that the Government have invited financial bids for the Hindustan Teleprinters Limited;

(b) if so, whether it is also a fact that Government have also finalised the list of 13 companies which will be disinvested during the financial year;

(c) if so, the names of these companies; and

(d) by when they are likely to be disinvested?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) Yes Sir. The disinvestment process for sale of Government equity to the Stratgic Partner has been completed in case of HTL Ltd. The Government has sold 74% of the equity in HTL Ltd. to M/s. Himachal Futuristic Communications Limited for a consideration of Rs. 55 crore. The management control of the company was handed over to the Strategic Partner on 16th October 2001.

(b) to (d) The 13 companies identified for disinvestment this year are: Bharat Heavy Plates & Vessels Limited (BHPV), CMC Ltd., IBP Co. Ltd., Indian Petrochemicals Corporation Ltd. (IPCL) India Tourism Development Corporation (ITDC), Instrumentation Control Valves Ltd. (ICVL), Jessop & Co. Ltd., Maruti Udyog Limited, NEPA Limited, HTL Limited, Hindustan Zinc Ltd., Hotel Corporation of India Ltd, and Videsh Sanchar Nigam Limited (VSNL). Out of them, disinvestment transaction has already been completed in respect of HTL Limited, CMC Limited IBP Co. Limited and Videsh Sanchar Nigam Limited (VSNL) alongwith sale of certain hotels under ITDC & Hotel Corporation of India. In respect of the other comapnies, it is Government's endeavour to complete these disinvesment transactions expeditiously.